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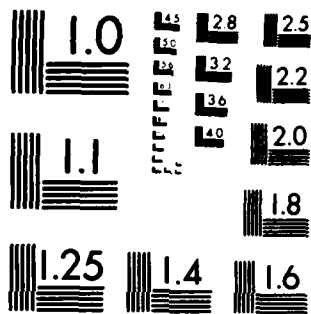
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<p>The impact of defense programs on the social agenda and the impact of social programs on our nation's ability to provide for national security are not considered wholistically. The argument is often advanced that social programs are being cut to allow for growth in the defense budget as if the two areas were not constitutionally linked as well as interdependent. The essay explores the linkage of social or welfare programs and the nations ability to provide national security.</p>		

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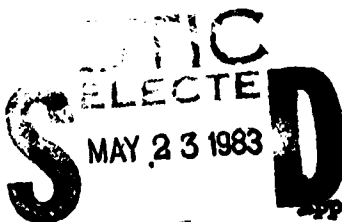
DEFENSE AND WELFARE PROGRAMS:
MORE LINKAGE THAN NOT

INDIVIDUAL ESSAY

by

Lieutenant Colonel Robert P. McFarlin
Ordnance

US Army War College
Carlisle Barracks, Pennsylvania 17013
14 April 1983



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ABSTRACT

AUTHOR: Robert P. McFarlin, LTC, OD

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Some welfare programs impact directly on defense by improving the quality of the manpower available to the services. These welfare programs do not appear to generate attitudes adverse to national security. The most important linkage between welfare and defense programs, however, is public perception that defense program funding increases in direct proportion to cuts in welfare programs. This public perception erodes long-term support for defense and can be harmful to national security.

There are probably as many interpretations of the meaning of the Preamble of the United States Constitution as there are constitutional lawyers. Political arguments are, time and time again, wrapped in the cloak of the Constitution to give them legitimacy. The Preamble states the purposes of the Constitution which are to "insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity. . . ." The resources which are provided to satisfy each of these purposes and through them provides an indication of national priorities varies from administration to administration. It is this variance, this placing of social programs or defense first in line at the public trough, which often generates controversy. The allocation of resources often seems to some to be out of balance. It often appears that the impact of one major area of the budget or the other is not adequately considered in the executive or legislative budget process but is frequently raised emotionally for political gain with no clear understanding from an economic, defense, or social perspective. This point is clearly illustrated today as the Reagan Administration pursues an expensive program of renewal and modernization of the capital materiel of the defense establishment while trying to limit the growth and in some cases reduce those federal programs which are known generically as social programs. It would appear that the impact of defense programs on the social agenda and the impact of social programs on our ability to provide for national security are not considered wholistically. The argument is often advanced that social programs are being cut to allow for growth in the defense budget as if the two areas were not constitutionally linked as well as interdependent in real effect. As stated by Michael

Howard in his recent article "Reassurance and Deterrence: Western Defense in the 1980's:"

for governments concerned with their everyday tasks nuclear war still remains a remote if terrifying hypothesis, while mass unemployment, commercial bankruptcies and industrial discontent are imminent reality. A society where domestic consensus has collapsed is in no position to fight a war, nuclear or otherwise.

It is the purpose of this paper to explore the linkage of social or welfare programs and our ability to provide National Security.

In 1944, near the conclusion of World War II which had occurred at the end of the great depression during which many of the social programs in living today were enacted, defense outlays as a percentage of Gross National Product were 35.6% and as a percentage of federal outlays were 78.7%. In 1950 defense outlays accounted for 4.4% of the GNP and 27.4% of total federal outlays. During the Korean and Vietnam wars, defense expenditures grew substantially both as a percentage of GNP and federal outlays but never approached the level of World War II because it was not felt by political leaders that such a national commitment was necessary to accomplish limited war aims. It can be argued that this failure to mobilize national will by commitment of resources and thereby indicating a clear national priority for winning the Vietnam war, for example, contributed significantly to its eventual loss. By contrast with World War II, in 1968, at the height of US involvement in Vietnam, 9.3% of the GNP and 43.3% of total federal outlays were devoted to defense. During this same period the Great Society was launched and a greater proportion of national treasure than ever before was devoted to social welfare. Fighting the Vietnam war "on the cheap" resulted in a lack of modernization of our nuclear and conventional forces which is now more expensive and while understood and considered necessary in the eyes of a substantial portion of the public

places the defense budget in direct competition with social programs for public dollars.

As can be seen from the table below defense outlays as a percentage of GNP and total federal outlays declined each year until fiscal year 1981 when, in the last Carter programs and budgets the trend was reversed.²

Defense Outlays as a Percent of GNP and
Federal Outlays

FISCAL YEAR	GNP	FEDERAL OUTLAYS
1970	8.0	39.2
1972	6.7	32.4
1974	5.6	28.8
1976	5.4	24.0
1978	5.0	22.8
1980	5.1	22.7
1981	5.2	23.2
1982	5.6	24.3

Before proceeding further it is important to define terms. The generic term "social welfare programs" encompasses what is traditionally known as welfare as well as income transfer programs and block grants. Income transfer programs such as social security and unemployment compensation are designed to provide some level of income security to workers (citizens) who may suffer a loss of income due to old age, sickness, or a declining economy. Block grants provide federal funding for states and municipal programs usually directed at improving some aspect of quality of life. Traditionally, welfare programs such as Aid to Families with Dependent Children (AFDC) are designed to provide cash income and services to poor people who allegedly cannot provide these same things for themselves. The largest part of the government's outlays for social welfare fall in the income transfer category about which little sentiment is ever voiced for a reduction (witness the recently concluded social security reform legislation which consumed in excess of three years of time and effort and results

in no reductions in outlays whatsoever). For example, in fiscal year 1978, the federal government planned to spend \$190 billion dollars on social welfare programs of which \$153 billion came under income transfer program headings.³

Contrasted with the decline in the defense budget as a percentage of the GNP the budget for social programs has grown dramatically over much of the period when defense budgets were falling. The overall federal budget grew dramatically as well and the government expanded into areas in which it had not acted before. Figures from various budget years are used despite their seeming inconsistency; the points illustrated are valid despite the different years used. For example, the fiscal year 1964 budget estimate (fiscal year 1964 is the first year in which social security outlays were reflected in total federal outlays during the budget process) called for 51 cents of every federal dollar to be spent on defense and 23 cents to be spent on social security and other trust funds, 5 cents were allocated to veterans programs and 5 cents to agriculture.⁴ In the 1983 budget estimate 29 cents of every federal dollar is targeted for defense, 43 cents for direct benefit payments for individuals and 11 cents for grants to states and localities. Veterans programs and agriculture are so low they do not rate separate consideration in gross budget aggregations. Direct comparisons among budget years are difficult because of differences in the way budgets are aggregated and presented. Trends, however, are clear. Federal outlays for health programs rose from less than \$20 billion in fiscal year 1973 to an estimated \$95+ billion in fiscal year 1985. Income security programs rose similarly from less than \$75 billion in 1973 to an estimated \$290+ billion by fiscal year 1985.

It is estimated that general revenue sharing, a budget category first seen in fiscal year 1972, will be approximately \$7 billion by fiscal year

1985.⁵ While the size of the federal budget overall has increased at a rate greater than inflation, the number of programs falling under the general heading of social welfare and the amount spent on them have increased at an even greater rate. Defense, conversely, has remained a single large item. This method of aggregating and presenting the budget clearly works to the disadvantage of defense by making it the single most visible budget while many of the social programs are less visible and therefore prone to less public scrutiny. It is also important to note that while all citizens should have an interest in defense, a real broad based defense constituency does not exist in the same way that highly vocal constituencies exist for each social program. The politically active defense constituency is often referred to derogatorily as the "military industrial complex" despite the contributions of defense industry to employment and technology. Defense materiel is also very expensive, particularly major weapons systems. Some systems, such as ICBMs are objected to by certain segments of the public on ethical, moral or religious grounds as well. It is often those who object to these major systems on those grounds who are found to be boosters of social program. It is these people who tend to perpetuate the defense vs. welfare argument by such statements as "buy two fewer F-14 fighter planes and we can restore the 1981 cuts in child nutrition programs."⁶

An examination of social welfare programs in the United States draws us back in history to the sixteenth and seventeenth century English poor laws for basic principles. The basic principles from that early heritage influence thinking about welfare programs in this country to this day. They are that all the poor are not necessarily deserving of aid solely because they are poor (some are thought to be able to work but too lazy to find a job, for example), relief and welfare programs must not interfere

with the labor market (provide disincentives to work) and that relief/welfare is best administered at the local level (nearest the problem and therefore better understood).⁷ These attitudes were modified somewhat over time as the nation and its population grew and became more complex. Actions resulting from these new attitudes took shape in the New Deal which established the principle that the constitutional directive to the federal government to promote the general welfare carried with it the obligation of the federal government to directly respond to economic crises such as the Great Depression or severe recessions such as experienced in 1982-83.⁸

Despite gradual changes in the public perception that the federal rather than local governments should be responsible for welfare programs, the New Deal programs and the follow-on programs in the Great Society kept the idea that the poor should be categorized and that a means test should be applied to determine who should receive how much relief. Levels of aid varied by locality as well in a concession to "local administration." The AFDC program provides a case in point. It was originally designed to be a temporary program during the New Deal. As social mores changed and benefits increased, the size of the AFDC roles expanded geometrically; the proportion of recipients eligible as a result of the father's absence from the home increased to 74 percent. AFDC benefits vary widely from state to state. While the majority of recipients were white as late as 1967, the most visible recipients were black citizens who were concentrated in urban ghettos. The volatile mix of visible minorities and absentee fathers created a popular stereotype of the welfare family whose attitude toward work, responsibility and the nation were thought to be at variance with traditional American values.⁹ This stereotype, unfair or uncharacteristic of the majority of welfare recipients as it may be, could, if true, result in reduced incentives to serve in the armed forces and reduced chances that

enlistees from welfare families would succeed as soldiers. This, as will be shown, is the opposite of actual experience.

The growing awareness of the stereotypical "welfare family" in the 1960's and a feeling of responsibility for the less fortunate among educated elites contributed to the Great Society Programs which were instituted during the Johnson Administration (the Vietnam war years). These programs instituted during an unpopular war lead to the famous "guns and/or butter" political arguments of the 1960's which are the basis of much of the criticism of defense spending as a detractor from social program to this day.

Some strongly held public attitudes toward social programs in general have moderated over the years as the welfare constituency has grown; the population has aged and more middle class white voters have begun to receive personalized government benefits such as accrue from Medicare and Social Security. The general welfare to be promoted by the constitution thus appears to be continually expanding in scope with less and less widespread opposition. This was illustrated most recently by the general acceptance given to results of a Presidential Commission's examination of health care which concluded that:

society had an 'ethical obligation to insure equitable access to health care' for all Americans, even at a time of budget cutbacks and fiscal austerity. The . . . commission . . . concluded that the Federal Government had the 'ultimate responsibility' for seeing that this obligation was met. . . .¹⁰

As the base of public acceptance of the widespread use of federal spending for social programs broadens it is logical that many of our soldiers must be drawn from that portion of society now enjoying the benefits of social programs and that if they succeed as soldiers there would remain little basis for concern that enlistees from recipient families have attitudes antithetical to defense. While the data is, in and of itself,

inconclusive some indications may be drawn from it (an assessment of the impact of welfare programs on attitudes of enlistees or potential enlistees could be undertaken to either substantiate or dispute the following arguments conclusively).

In an Army-wide survey conducted in 1977-1978, it was shown that 30% of the enlistees and 33.7% of career soldiers came from families with annual incomes of less than \$8,000. Further, the two most commonly cited reasons for enlisting were for educational benefits and to learn a skill. While there is no direct correlation here to welfare recipients, it is logical to assume that because of low family income a substantial portion of the families represented by these enlistees were welfare recipients. Similar reasons for enlistments were cited for the next higher income group, the \$8,000-\$13,999 group.¹¹ Attrition rates for soldiers during initial training and enlistment are similar among income categories. The single best indicator of initial soldier success is whether the enlistee is a high school diploma graduate or not; not race, hometown or family income.¹² The indications of the above data are that of those persons motivated to join the Army who come from low income (welfare?) families, motivation is strong for self-improvement. This would seem to partially counter the argument that social programs in this country are debilitating of traditional values and the work ethic which are so important to successful national defense and responsible citizenship in a democracy. It should also be noted at this point that despite the growth of government (intrusive as it is) and the proliferation of government social programs recent public opinion surveys reflect that American values are not significantly changed over the last ten years and that the majority of Americans still see hard work as the best way to get ahead.¹³ It is important to stress the importance of traditional values at this point since the fabric

of discipline and way in which the services are run relies heavily on a background of traditional American values.

Since the best single predictor of success in the Army and by extension in other branches of the service and business is the high school diploma, it may be argued that any social programs which contribute to a higher percentage of high school graduates are good for defense, business and society as a whole. The problem of course is settling on the specific programs and program levels in some cost effective and politically acceptable manner. Some indications as to how to target programs to increase high school completion rates may be drawn from the fact that children from welfare recipient families tend to have lower high school completion rates.

In addition to programs designed to improve the rate of high school graduations another program impacting on defense is the school lunch program. Federally sponsored child nutrition programs were developed as a result of experience gained from World War I and World War II. It was determined that a significant number of individuals who were drafted into the service in World Wars I and II were physically deficient because of poor nutrition.¹⁴ The program in being today, enacted in 1946, Public Law 396-79, "to safeguard the health and well-being of the Nation's Children and to encourage the domestic consumption of nutritious agricultural commodities," serves over 27 million children daily in 94,000 school districts. Numerous studies have shown this program to be a major contributor to child nutrition in America.¹⁵ It has been widely reported that well nourished children learn more readily and have higher chances of success in school. In a defense establishment with increasingly complex equipment, better educated soldiers, sailors and airmen are required. Business has the same requirements for qualified manpower. The pool of 17-21 year olds available

for military service is decreasing and with economic recovery ahead, eventual competition for the same better qualified manpower between defense and business is inevitable. The continuation of programs such as school lunches which indirectly lead to a larger better qualified manpower pool can then be seen to contribute to National Defense. A follow-on argument is also logical in that attrition rates in basic training and throughout first enlistments are lower for high school graduates therefore training and recruitment costs can also be less if a higher percentage of eligibles have high school diplomas and the number of new enlistees required remains at current levels. Clearly then, defense implications of these social programs should be considered when resources are being allocated.

Another aspect of inter-relation involves race. The percentage of minority soldiers serving today exceeds substantially the minority proportion of the general population. Blacks comprised approximately 12 percent of the population but were 33% of the Army in 1981. It has been argued by many that cuts in social programs proposed over recent years disproportionately effect minority citizens. Vernon Jordan, former president of the Urban League, argued in the November 1981 issue of USA Today that:¹⁷

- o Some 3,000,000 people would be impacted by cuts in food stamps, from one-third to one-half of them black. The full dimension of that can be seen by the fact that, even now some 400,000 black families on welfare--the neediest of the needy--do not get food stamps.
- o Terminating CETA will mean nearly 500,000 people, half of them minority, will lose jobs and training opportunities.
- o The cap on Medicaid would eliminate millions of families from the program and sharply reduce black access to health care.

- o The black poor would be hit hardest in every instance of social program cuts, since blacks form a disproportionate number of the poor serviced by those programs.

Jordan goes on to argue that the net results of cuts in social programs will be a disillusionment of black society with governmental policies and effectiveness. While in the short-term blacks might see the Army and other services as a "way up," long-term disillusionment cannot help but hurt recruitment efforts and black community support during war if the disillusionment leads to the logical feeling that the present political system and the nation doesn't represent anything worth fighting for. Some of the programs mentioned by Jordan as targeted for cuts also impact on the quality of the manpower pool in the same manner as school lunches mentioned earlier.

The argument of disillusionment cannot be limited solely to blacks and minorities. While recent public opinion surveys (1979) report a growing disillusionment with both the Executive branch of the government and the Congress (13% of those surveyed reported confidence in Congress and the Executive branch) the vast majority of people reported they do have faith in our political system. Ninety-six percent of those surveyed felt that we must be ready to sacrifice to protect the free enterprise system. Thirty-one percent of the population at large reported they had a great deal of confidence in the military.¹⁸ This confidence level is higher than in previous years and improving. Little comfort can be taken from the raw numbers and results appear to be somewhat at odds with each other. The surveys do not disprove the argument that government policies/actions related to defense and social welfare budgets which create disillusionment can and probably will result in a public backlash against defense spending. Recent congressional votes and speeches tend to support the disillusionment

point of view. This concern about disillusionment would seem to command more attention as a greater portion of the population each year become direct recipients of federal benefits both in absolute numbers and as a percentage of the population. It is not the purpose of this paper to argue for or against any particular defense or social program but to identify some commonalities for further study. It may well be that disillusionment can be prevented and real opportunities presented by more private programs made possible by enlightened government policies which would replace or partially supplant reduced federal programs. Whatever the end result in terms of programs, that some social programs directly and indirectly impact on our ability to provide for national security is irrefutable.

One aspect of the welfare versus defense argument seldom heard, and mentioned here only in passing, is that in many ways the Armed Services, separate from their defense roles, contribute to the general welfare of the nation as a whole. The Department of Defense is probably the largest direct employer in the free world. Additionally, the provision of supplies and materiel to the Armed Services provides employment for many additional Americans. Servicemen do mature, learn skills and trades applicable in civilian endeavors and complete significant portions of their education during or as a result of their service. They are often better citizens and better employees for having served. Procurement regulations are structured to encourage small business and minority citizen and business participation in defense projects. So we see that it is not just social programs which impact on defense but the opposite as well.

While arguing for some form of joint consideration of defense and impacting social programs, it must be recognized that while connected in effect the bases for social and defense programs are different and one cannot be used solely to justify the other. While both social and defense

programs are designed to counter threats to the general welfare, the threats are internal and external respectively. From a pure economic utility point of view social welfare budgets should be constructed to address specific social ills (internal threats) and accomplish specific objectives. This method of constructing a social/welfare budget would doubtless result in a more costly program but would, if properly administered, provide the lowest risk of disillusionment by purchasing the "correct amount" of social welfare in consideration of the threat. Similarly, an argument that defense needs must be considered alone, that is that national security, strategy, and forces must be structured and paid for at whatever level is necessary to counter the external threat is a prudent pure military and pure economic argument. It would certainly, if followed rigorously and funded at the required level, provide the nation a low risk defense capability to protect US interests worldwide. But, construction of a budget for defense or welfare in this way fails to consider the key element which makes it all possible and which the defense establishment exists to protect; it fails to consider national will--the priorities of the people.

There have been wide swings in perception of the threat to the United States throughout our history. Similarly there have been wide swings in the respect with which the federal government and the military institution is held.

After reaching its nadir during the final years of the Vietnam war, public respect for the military as an institution has steadily improved with the intervening years. This favor in which we find ourselves will fast erode if we continue to push for increased defense budgets which the public perceives to be attained at the expense of social programs which benefit more and more Americans annually and which they see to be as

necessary as defense. We have already begun to see significant erosion in support for defense spending from October 1979 when Lou Harris and Associates reported 60% of the American people supported a 3% increase of defense spending.¹⁹ This erosion has not resulted from any perception of a decreased threat but from a perception that some social programs they see as important are being cut to pay for the increases in defense. Among the more thoughtful voters, many make the same connection made earlier in this paper between some of the specific social programs being cut and defense and wonder about the coherence of the budget process and the defense portion specifically.

It would seem to me penny-wise and pound foolish from a defense standpoint to continue to cut social programs which impact directly or indirectly on our ability to provide for national security. Similarly where cuts erode essential public support for defense, they should be avoided. Quality soldiers will be needed for the foreseeable future and real long-term public support is required for the ambitious modernization and recapitalization of our defense establishment now ongoing. There is no first priority, "common defense or general welfare." They are interconnected and interdependent in such a manner that they are both indispensable. Resources must be allocated in such a manner that they can be mutually supporting rather than perceived as competitive. Government provisions for the general welfare must create public attitudes of respect for government and the institutions of government. The military institution can thus be strong and provide the common defense necessary for the existence of the general welfare.

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